

Illinois Gaming Board Meeting Minutes
March 15, 1990

Illinois Department of Revenue
Media Room, Level 1SE
Willard Ice Building
Springfield, Illinois

Present: William J. Kunkle, Chairman; Board Members: Raymond Neipert, J. Thomas Johnson, and William Jack Chamblin

Absent: Robert Gibson, Board Member

Also Present: Senator Denny Jacobs; Representative Joel Brunsvold; Representative Donald Saltsman; Bob Steere, Temporary Counsel and Secretary of the Board; Edward J. Welk, Associate Director, Illinois Department of Revenue (IDOR); Ellen Lewis, IDOR; media and the general public

The meeting was called to order at 10:10 a.m., by Chairman Kunkle, with a quorum of four of the five Board members present. The Chairman and each of the Board members introduced themselves. The Chairman then introduced Robert Steere as temporary counsel to the Board and introduced the guests of the Board: Senator Denny Jacobs, Representative Joel Brunsvold, and Representative Donald Saltsman.

The Chairman handed out to the Board members background materials with respect to the New Jersey and the Nevada gaming laws.

The Board entered into a discussion of new business. Chairman Kunkle noted the time deadlines before the Board with respect to implementing the application procedure for operators' licenses. In order to meet the deadlines, the following motions were made to expedite Board action:

* Mr. Johnson made a motion to authorize the Chairman to recruit and select the Administrator for the Board. The motion was seconded by Mr. Chamblin and was passed unanimously.

* Mr. Johnson made a motion to authorize the Chairman to identify the need for legal services and to hire legal counsel, either through employment of an individual or by contracting with a law firm, to assist the Board in drafting rules and regulations. The motion was seconded by Mr. Neipert and was passed unanimously.

The Chairman then offered an opportunity to speak to each of the legislators that attended the meeting. Senator Jacobs was the first to speak, and he made the following comments:

* He encouraged the Board to consider a licensing procedure that would result in an early preliminary approval so that potential licensees could have some early indication of the Board's willingness to grant a license.

* The driving force behind riverboat gambling in Illinois was the competition from Iowa, and the purpose for passing the Act is economic development. Specific areas that were given special consideration because of economic development needs were: Quad Cities, East St. Louis, Alton, and Peoria/Pekin.

* He personally feels that there should be no \$500 per excursion limit on gambling losses. He stated that the Board would spend more time policing the limit rather than more important issues. Also, if there is a limit, inexperienced operators may be attracted and the more professional experienced operators will not participate, as it will have a significant negative impact on profitability.

* He stated that there are flaws in the bill and encouraged the Board to review the bill and make recommendations to the Legislature regarding clean-up language. He said this should be done before any clean-up language is passed.

* He stated that the bill authorizes year-round gambling, but that the bill is unclear regarding when a boat is docked or not docked, thereby potentially disrupting year-round gambling. It should be clarified to assure year-round gambling, as a part-year operations equate to part-year employment which will hinder the goal of economic development.

* He also offered to the Board copies of letters and other materials he had received regarding riverboat gambling.

A discussion regarding the \$500 per excursion limit took place after Senator Jacobs' presentation. While Senator Jacobs felt that the Board may have implicit authority to impose the \$500 limit, both Chairman Kunkle and Mr. Johnson stated their belief that the Board is not authorized by the law to impose such a limit.

Representative Brunsvold was then given an opportunity to speak. He made the following comments:

* The House determined that there were five specific areas in need of the economic development assistance to be provided by riverboat gambling: the upper pool and the lower pool in the Quad Cities, Alton, East St. Louis, and Peoria.

* Input from local governments is critical to the operation of riverboat gambling.

* Clean-up of the bill will take some time. Decisions on the docking issue need to be made. He would willingly work with the Board and sponsor a bill for clean-up of the flaws in the Act.

Senator Jacobs added that it was important to give priority to current boat operators in the licensing procedure and to consider those applicants who will provide the greatest regional economic development.

A concern was raised about whether someone would be allowed to have boats in two separate locations pursuant to a single license or whether someone would be allowed to have two licenses for two separate locations. The difficulties in allocating the tax revenues were also noted. No conclusions were reached.

Representative Saltsman was given an opportunity to speak. He restated the importance of local input and involvement in the development of the riverboat gambling program.

The Chairman noted that the Act lists several authorized gambling games but specifically states that the Board could approve others. He asked whether the sports betting was considered as an option by the legislators. Senator Jacobs stated that the law would authorize sports betting if the Board approved it, but took no position on whether it should be authorized. Representatives Brunsvold and Saltsman stated that the House members feel that sports betting should be considered independently by the General Assembly on its merits.

Senator Jacobs again noted the need for an expedited licensing process.

Representative Brunsvold noted that riverboat gambling is the most exciting thing that's happened to the Quad Cities area.

Chairman Kunkle stated that the next Board meeting would be planned for the week of April 9, 1990. Mr. Johnson suggested a number of issues to be considered at future meetings, including tourism impact of riverboat gambling, the Board's responsibilities in the area of public safety, and the early development of financial standards and guidelines for licensees. Potential presenters for future meetings include the Department of Commerce and Community Affairs, potential applicants and community representatives, spokespersons from Nevada and New Jersey, the Department of State Police, and the Department of Revenue.

In response to a question from Mr. Johnson, Mr. Welk noted that the Department of Revenue has received a number of inquiries regarding applications for operator's licenses. He said that those materials will be turned over to the Board.

A motion to adjourn was made by Mr. Johnson, seconded by Mr. Chamblin, and passed unanimously. The meeting was adjourned at 11:10 a.m.

Robert D. Steere
Temporary Secretary & Counsel
Illinois Gaming Board